

## Message Text

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PAGE 01 CANBER 04418 080150Z  
ACTION EA-12

INFO OCT-01 ISO-00 SS-15 SP-02 NSC-05 EB-08 DOE-15  
SOE-02 TRSY-02 OMB-01 COME-00 OES-07 CIAE-00  
INR-10 NSAE-00 L-03 INT-05 /088 W  
-----106117 082300Z /61

R 080025Z JUN 78  
FM AMEMBASSY CANBERRA  
TO SECSTATE WASHDC 3466  
INFO AMCONSUL MELBOURNE  
AMCONSUL SYDNEY  
AMCONSUL BRISBANE  
AMCONSUL PERTH

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EO 11652: NA  
TAGS: EMIN, ENRG, EFIN, AS  
SUBJECT: AUSTRALIAN RESOURCES RENT TAX

REF: CANBERRA A-016

BEGIN UNCLASSIFIED

1. IN A STATEMENT IN PARLIAMENT ON JUNE 1, MINISTER FOR NATIONAL DEVELOPMENT, KEVIN NEWMAN WHEN ASKED ABOUT THE STATUS OF THE PENDING RESOURCES RENT TAX (RRT), WOULD ONLY REPLY THAT THE GOVERNMENT HAD A TAX UNDER CONSIDERATION. NEWMAN IS REPORTEDLY IN DISAGREEMENT WITH GOA EFFORTS TO IMPOSE AN RRT ON OIL COMPANIES BECAUSE OF HIS VIEW THAT SUCH A TAX WOULD ADVERSELY AFFECT FUTURE OIL EXPLORATION AND DEVELOPMENT.

2. LATE IN 1977, GOA MINISTERS AGREED THAT AN RRT WOULD BE INTRODUCED TO COVER THE VERY HIGH PROFITS LIKELY TO BE EARNED FROM THE PRODUCTION OF CRUDE OIL AS A RESULT OF

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THE GOVERNMENT'S DECISION TO PROGRESSIVELY MOVE TOWARDS WORLD PARITY PRICING FOR DOMESTIC CRUDE OIL. IT APPEARS THAT NEWMAN NO LONGER SHARES THIS VIEW. END UNCLASSIFIED

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3. THE REGIONAL RESOURCES ATTACHE HAS RECENTLY BEEN TOLD

TWO CONFLICTING VIEWS ON THE STATUS OF THE RRT WITHIN THE GOA. ONE VIEW EXPRESSED BY THE CHAIRMAN OF CALTEX IS THAT THE RRT IS A DEAD ISSUE. THE OPPOSING VIEW OF A SYDNEY BARRISTER, WHO CONSULTS ON ENERGymATTERS, IS THAT THE RRT CONCEPT IS ALIVE, BUT THAT WITHIN THE GOA THERE IS NO ONE WITH THE COMPETENCE TO DESIGN AND IMPLEMENT SUCH A TAX.

4. COMMENT: ONE COULD CONCLUDE THAT THE RRT MAY SIMPLY ATROPHY AS THE ONLY TIME IT IS BROUGHT UP IN PUBLIC FORUMS IS WHEN THE OPPOSITION RAISES THE ISSUE IN PARLIAMENT. THE RRT NO LONGER APPEARS TO BE A PRESSING ISSUE IN THE GOA, BUT IT IS PROBABLY TOO SOON TO SAY THAT THE RRT IS DEAD AND BURIED. THE MINING AND PETROLEUM INDUSTRY HAVE LOBBIED HEAVILY AGAINST THE RRT AND MAYBE THE BUREAUCRATS HAVE GOTTEN THE MESSAGE.

SQUIRE

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, NATURAL RESOURCES, RENTS, TAXES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 jun 1978  
**Decapton Date:** 01 jan 1960  
**Decapton Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978CANBER04418  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Office:** ACTION EA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 78 CANBERRA A-16  
**Retention:** 0  
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**Review Exemptions:** n/a  
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**SAS ID:** 2443059  
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**Status:** NATIVE  
**Subject:** AUSTRALIAN RESOURCES RENT TAX  
**TAGS:** EMIN, ENRG, EFIN, AS  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014